Augusta State University
Asset Management
Inventory Custodian-*Quick Reference Guide*
FAQ's

Augusta State University
Inventory Custodian Quick Reference Guide
FAQ's
Table of Contents

Section XII **Leased Equipment**…*Is this part of the Inventory?*

Section XIII **Asset Trade-In or Exchange (*“Trade-in” refers to the process of turning over an item to a vendor in exchange for another asset.*)**…*We just bought a new server, but it isn’t working! How do I swap it for one that works???*

Section XIV **Returning Faulty Equipment to a Vendor…**We received equipment that does not work. What do I do?

Section XV **Who Can I Contact for Help**…*I don’t get this!!*

Asset Management
Inventory Custodian Quick Reference Guide
FAQ's

Section I

Summary
Find It Quick!

No time to read the whole book?
Jump to the sections you are most likely to need

- How to Obtain a Copy of Your Inventory Records
  Section II
- How to Conduct a Physical Inventory
  Section IV
- How to Transfer an Asset
  Moving an item from one place to another
  Section VII
- How do I trade or swap one asset for another?
  Section XIII
- How to Get Questions Answered Now!
  Section XVII

Asset Management
Inventory Custodian Quick Reference Guide
FAQ's

SECTION II

FOR NEWLY APPOINTED INVENTORY CUSTODIANS…*What have I gotten myself into now?*

- **What is an Inventory Custodian?**

  An Inventory Custodian is appointed by each Department Head or Chair at ASU.

  - The Inventory Custodian has the primary responsibility for maintaining the department's inventory records of state owned assets that have been purchased, donated, leased or transferred into the department. ***See sample inventory report.***

  - The Inventory Custodian has the primary responsibility for coordinating the transfer of assets, whether this is between offices or rooms within a department; between departments on campus; or to the warehouse (in the case of surplus items).

  - The Inventory Custodian has the primary responsibility for coordinating the Temporary Removal of Assets from the department.

  - A secondary responsibility of the Inventory Custodian is to foster a sense of respect among department members for the property that is in the department's possession.

  -

- **What is an Inventory?**

An Inventory is an itemized list of assets currently in service.

- **What is an Asset?**
  An Asset is an item of value that must be secured and tracked in inventory as set forth by the Georgia Code Section 50-16-16.1.

- **What is a "Capital Asset" and how are they tracked?**
  A "Capital Asset" is an item valued at $5,000.00 or greater with an estimated life of at least 1 year. Capital Assets are depreciated and tracked in the Peoplesoft-Asset Management module.

- **What is a "Small Value Asset" and how are they tracked?**
  A "Small Value Asset" is movable property valued between $3,000.00 and $4,999.99 that is tracked for security purposes through the Peoplesoft - Asset Management module. Small Value Assets are not depreciated.

  Examples of a "Small Value Asset" include electronics such as cameras, laptop computers and other valuables that have a unit cost between $3,000.00 and $4,999.99.

  Exception: All firearms and two-way radios are considered "Small Value Assets" regardless of cost.

- **What are "Controlled Assets" and how are they tracked?**
  "Controlled Assets" are items of value, *below the $3,000.00 threshold,* that the University requires be tracked for security purposes. They do not appear on the Peoplesoft Inventory, but are required to be monitored nonetheless (further explained below).

  - **"Controlled Assets" are so classified because they have a high incidence of loss, theft and/or misplacement.**
  - **Inventory Custodians bear the responsibility of monitoring the whereabouts of these assets, particularly in the instance of cameras, laptops and other valuables that are <u>shared among several department members</u>.**

MORE ABOUT LAPTOPS…
All IT equipment items are classified as "Controlled Assets", including Laptops. At the time of issue, Information Technology

Services records the <u>department</u> receiving the Laptop through their REMEDY program. While this is a good initial control, it is not enough. An *additional* control is needed within the department to track the <u>individual using</u> <u>the Laptop</u>, *if* it is used by more than one employee.

It is the Inventory Custodian's responsibility to track the use of the Laptop between department members. We recommend this be done using either Excel or Word. A template will soon be available online. Similarly, other Controlled Assets that are easily lost and **<u>frequently shared</u>** need to be tracked at the department level.

- **How do I obtain a copy of my department's Peoplesoft Inventory Records?**

A print out of your inventory list will be furnished to you each October. You may obtain a report for your department on your own at any time via IRIS. Please contact the ASU Help Desk at extension 1482 to gain access to this report.

SECTION III

ASU PROPERTY TAGS…*Do not remove means just that!*

- **What is an ASU Property Tag?**
  An ASU Property Tag is a numbered metal tag that is permanently affixed to an asset at the time the asset is delivered to your department.

- **What is the importance of an ASU Property Tag?**
  The ASU Property Tag provides a numeric control that is critical to the effective tracking of assets. It also identifies an item as state owned property.

- **What is the difference between the ASU Property Tag and the Asset ID?**
  The Asset ID is the number assigned by Peoplesoft and serves as the control number within the Peoplesoft-Asset Management module for accounting purposes. The Asset ID is needed to view asset information in Peoplesoft. It differs from the ASU Property Tag, which is the tag physically affixed to the inventoried item for Department of Administrative Services (D.O.A.S.) purposes. Unfortunately, there is not an easy and cost effective way to have both numbers be the same.

- **Who assigns the ASU Property Tag?**
  The ASU Property Tag is assigned by Central Services whereas the Asset ID is sequentially assigned by Peoplesoft when an asset is added.

- **What do I do if the ASU Property Tag is missing?**
  Generally, when you can't find a tag it is simply because it has been affixed to the asset in a place that is difficult to see. However, from time to time a tag might fall off during the course of day to day use. In these cases call Central Services to arrange for another ASU Property Tag to be affixed. The Inventory Custodian needs to instill in department members an understanding of the importance of the ASU Property Tag. When it comes to ASU Property Tags… "DO NOT REMOVE".

- **What do I do if the ASU Property Tag # does not match the number on the inventory list?**

  First check to be sure there is not a second tag. Sometimes multiple tag numbers exist due to past changes in inventory systems. If this isn't the case, ask for further help (see the help contact information at the end of the FAQ's).

  If there are multiple ASU Property Tags, please contact Central Services.

<u>SECTION IV</u>

PHYSICAL INVENTORIES…*practice makes perfect!*

- **What is a Physical Inventory and what is its purpose?**

  A Physical Inventory is the process of confirming through visual inspection the items of value listed on the department's inventory records. The inventory list is generated from Peoplesoft and is used for audit purposes. The purpose of the Physical Inventory is to help maintain the accuracy of the accounting records and to safeguard state owned property.

- **How often are Physical Inventories conducted?**

  The Board of Regents *requires* regular physical inventories. At ASU <u>two</u> physical inventories are conducted each year:

  - **May:** Central Services conducts the year end physical inven*tory*
  - **October:** Inventory Custodians conduct a physical inventory

  Regularly scheduled inventories help identify small irregularities within a department before they become something more.

- **What is the role of the Inventory Custodian in Physical Inventories?**
  - The Inventory Custodian manages the physical inventory process for the department.
  - Should there be difficulty in locating an Asset, it is the Inventory Custodian's responsibility to troubleshoot. For example, it might be necessary to send out a department wide e-mail inquiring about the location of a certain Asset. Or a little footwork might be needed in some cases to track down a missing item.
  - This is also an opportunity to note any missing ASU Property Tags and request replacements, etc.

  A diligent effort is expected to keep the inventory records in good order.

How do I conduct a Physical Inventory?

The best way is to take a methodical approach.

- Start at the top of the Inventory list and work your way down, item by item.
- Check to be sure that the ASU Property Tag number is affixed.
- Confirm the Property Tag # is correct.
- Confirm the asset description is accurate.
- Confirm the asset model and serial numbers are correct (both critical descriptors).
- Confirm the location (building and room #) of the asset, writing in the location code in the space provided.
- Note exceptions of any sort carefully (i.e., ASU Property Tag #, Building #, Room #, Serial #, Model # etc.). If necessary, now is the time to amend asset descriptions, if the existing description is inadequate or incorrect.

- **I have an item that looks like an Asset but it is not on the Inventory. What should I do?**

  The item might be below the Asset value tracking threshold, or the item might not belong to ASU. When in doubt, make detailed notes and ask for help (See the help contact information at the end of the FAQ's).

SECTION V

REQUISITIONING AND PURCHASING A NEW ASSET…*what exactly is that new gizmo you are buying?*

- **How is something added to the Inventory list?**

  Assets are first identified for Inventory at the time of **requisition.**

  Only the first 30 characters entered on the Peoplesoft requisition will be uploaded to create the asset description in the Peoplesoft Asset Management module. This is a Peoplesoft automated process that cannot be manipulated for expansion.

  Note: ***The requisition description itself is not limited to 30 characters; however, only the first 30 characters move over to the inventory description.*** It is a constraint of the software. Knowing this… make the most of those 30 characters! Please consider how those 30 characters can best be used to adequately and uniquely identify the asset to the degree possible. This does not mean that you should limit your description on the requisition to only 30 characters. While the first 30 characters are important for Asset Management purposes, a full description is still needed for the purchasing process.

CONSTRAINT:

While you have unlimited space to write a description at the requisition stage, *remember* - only the first 30 characters that you type upload into your inventory list. Think very carefully about the first 30 characters that you type on the requisition so that when you get your inventory list in the future it makes sense to you. This will help you conduct your physical inventory with greater efficiency. You can request that a description of an asset be changed later manually, but the process is cumbersome. Try to avoid this!

Bottom line: A description that uniquely identifies the asset at the onset will make it easier for you to confirm the items on the Physical Inventory list generated from Peoplesoft on an annual basis year after year. This will also eliminate the need to amend the description after the asset is purchased. Ultimately a clear description entered on the Peoplesoft requisition will save you time.

SECTION VI

ASSET DESCRIPTIONS: *One Ton Truck*

- **What information is needed for the description of an Asset?**
  Give a description that will withstand the test of time and changes in personnel. What is abundantly apparent today may not seem so clear 10 years from now. That said keep in mind the constraint mentioned in the previous section:

> **CONSTRAINT** (*this bears repeating*)**:**
>
> While you have unlimited space to write a description at the requisition stage, *remember* - only the first 30 characters that you type upload into your inventory list. Think very carefully about the first 30 characters that you type on the requisition so that when you get your inventory list in the future it makes sense to you. This will help you conduct your physical inventory with greater efficiency. You can request that a description of an asset be changed later manually, but the process is cumbersome. Try to avoid this!
> *Central Services will input the serial number/VIN number of your item at the time of receiving. This very important part of the asset description is done for you.*

ASSET DESCRIPTION EXAMPLES

EXAMPLE #1 - Vehicle

- **POOR DESCRIPTION**

  "ONE TON TRUCK" (only 13 characters used)

  This is a very deficient description of an asset. Provide as much detail as possible.

- **BETTER DESCRIPTION**

  "FORD 07 WHITE TRUCK SPRDUTY350" (all 30 characters used)

  This is a much improved description of the same asset – because it gives the make, the year, the color and the model.

EXAMPLE #2 –Electronic Equipment (Printer)

- **POOR DESCRIPTION**

Q8220 (only 5 characters used)

This is a meaningless description of an asset that will confuse most everyone. It is too limited and vague for the casual reader (i.e., your supervisor, another employee or an auditor) to readily identify the item. A model number alone is not sufficient information. Use generic language that tells the function of the item.

- **BETTER DESCRIPTION**

HPPhotosmart PrintFaxScanQ8220 (all 30 characters used)

This is a much improved description of the same asset. By using more generic language you have identified the item as a Hewlett Packard three in one printer, still giving the model number.

SECTION VII

MOVING AN ASSET FROM ONE DEPARTMENT TO ANOTHER…*I think I gave it to the music department 3 years ago, or was that physical plant?*

- **Why can't I simply move an Asset myself from one department to another?**

  First of all, you might hurt yourself if the Asset is large, awkward or heavy. Secondly, you will scramble the inventory records, making your job that much more difficult when it comes time to do the physical inventory next year.

  DO NOT MOVE ASSETS FROM ONE DEPARTMENT TO ANOTHER! THERE IS A PROCESS!

> **NOTE: If an item is purchased from a department other than your own, an Asset Transfer form must be completed after the item is received in your department.**

- **Who do I contact to move something?**

  Contact Central Services. Central Services will move the item and coordinate the updating of the inventory records in Peoplesoft. Please allow a minimum of 10 days from date of request for an item to be moved for routine moves.

- **Is there a form I need to fill out? YES!**

  Use the Equipment Transfer Form available on Elroy.

- **Can small, lightweight assets be moved within a department without calling Central Services?**

The state auditors require that assets locations be accurate. This means specifying the correct room number. During an official audit, if an item is supposed to be in a certain room, but is actually three doors down, this causes the auditor concern. The key here is to keep the inventory records up to date. Be sure to fill out the Asset Transfer form so that the Peoplesoft inventory records can be updated. If this is a "Controlled Asset", be sure to update your Word or Excel file.

SECTION VIII

CHECKING OUT ASSETS: *Taking it off campus*

- **Can I take something home without asking? NO!**

- **Is there a form for me to use to sign out equipment for use off campus? YES!**
  Use the Temporary Equipment Removal Form available on Elroy.

A blanket form that covers a one year period can be filled out for portable items such as laptop computers.

<u>SECTION IX</u>

WHEN AN ASSET IS NO LONGER NEEDED, IS BROKEN, OR IS OBSOLETE…*this thing hasn't worked in years!*

- **Should I throw away an inventory item that no longer works? <u>Never!</u>**

Note: Georgia laws pertaining to the disposition of state surplus property can be found in the Official Code of Georgia Annotated, Title 50, Chapter 5, Article 4, Section 140-146. Violations of this code bring serious penalties. Any official, officer or employee of the state who disposes of state property having a value of less than $200.00 in violation of Code Section 50-5-141 or 50-5-142 shall be guilty of a misdemeanor. If such property has a value of $200.00 or more, he/she is guilty of a felony and upon conviction, will be punished by imprisonment for not less than one year, or more than five years."

- **How do I dispose of items we no longer need or are obsolete?**
  Use the Equipment Transfer Form to request that an item be sent to the warehouse. The form is available on Elroy.

<u>Asset Trade-In or Exchange - See Section XIII</u>

SECTION X

REPORTING MISSING ASSETS…*we can't find the golf cart!*

- **Where do I start when we can't find something that is on the inventory list?**

  Follow these steps within the first 72 hours of the time that you first become aware that an inventory item is missing:

  - First conduct an exhaustive search of the department yourself.
  - Ask those who work in your department. You might want to send out an E-mail alert to everyone in your respective area.
  - Be certain the item hasn't been checked out to take off campus.
  - Discuss the matter with your Department Manager.
  - Check with Central Services.

It is important that you do all of these things ***within a 72 hour timeframe****– time is of the essence when it comes to recovering a missing asset.*

- **How do I report a missing Asset? Who should I contact?**

  If you still cannot locate the item, and have already conducted an exhaustive search, call Public Safety to report the item as missing: 706/737-1401. Do this immediately, while you are still within the 72 hour window. **Do Not Delay** in making this report! Public Safety will take over at this point.

SECTION XI

DONATIONS…*we just received three paintings from an ASU alum!*

- **Who do I notify when the department receives a donated piece of equipment, artwork or historic artifact?**

  Donated assets are tracked and inventoried essentially like other assets. Call for help when you receive a donated asset, because the particulars can be slightly different in some circumstances. Normally, donations are processed through the ASU Foundation. The Foundation will provide a receipt to the donor based on the value of the item as established by the donor.

- **What is the procedure for adding donated items to the department's inventory?**

  The item is to be added to inventory at the time donated using the historical cost or fair market value (whichever is lower). If you have received a donated asset, please contact the Business Office.

<u>SECTION XII</u>

LEASED EQUIPMENT…*Is this part of the inventory?*

- **We have leased equipment/trucks/copiers but we are not sure who owns them. What should I do?**

  Leased equipment falls into a special category and depending upon the circumstances, the inventory is handled slightly differently. All leases must go through the Purchasing Office.

SECTION XIII

ASSET TRADE-IN or EXCHANGE (*"Trade-in" refers to the process of turning over an item to a vendor in exchange for another asset.*)…*We just bought a new server, but it isn't working! How do I swap it for one that works???*

Trade-Ins

Just as you can't dispose of state property on you own, you cannot simply "trade-in" state owned equipment. State code requires that all "trade-ins" be pre-authorized through the Surplus Property Office; that is, authorized before the "trade-in" takes place. This mandatory pre-authorization is initiated by contacting the Central Services Offices at extension 1478.

If funds are to be received for the exchange of assets, please notify Central Services and the Business Office. Notification should be made prior to initiating the trade or entering into any trade agreement. As previously stated, there are both legal and accounting issues involved when proceeds are received for state property.

- **When I need to exchange one item for another, what do I do?**

Please complete and submit the Asset Trade-In form located on the Asset Management website at http://www.aug.edu/cso/AssetManagementPolicy.html prior to exchanging assets. The tag number of the item to be exchanged will be required.

There are two types of asset exchange recognized by the University System Office (BOR) with specific accounting guidelines in place for each.

1. Exchange of similar assets
2. Exchange of dissimilar assets

A requisition will need to be entered in Peoplesoft for any additional cost incurred to complete the exchange. Please note on the requisition that the cost incurred is for the exchange of assets and list the tag number(s) of the assets to be exchanged. When dissimilar assets are exchanged, the Fair Value must be determined for the asset to be traded. The Business Office can help you with this determination.

SECTION XIV

RETURNING FAULTY EQUIPMENT TO A VENDOR

Note: ***While these guidelines are written for equipment valued at $3000 or more,*** *the same steps apply generally to any departmental purchase you make that needs to be returned.*

From time to time it happens. You've ordered a piece of equipment using all the proper procedures; the item is inventoried and tagged and delivered to your department; shortly thereafter you realize the item doesn't work, is the wrong size, or is not exactly what you intended to order or some variation of this theme. Bottom line, you want to return the equipment. What to do? Here is the step by step process to help Inventory Custodians to successfully return unwanted equipment while keeping the inventory records in good order.

STEP ONE

- The Inventory Custodian for the department is to notify **Accounts Payable and Purchasing** via email. Do this immediately.

Important! By notifying Accounts Payable early on you can stop payment of the invoice to the vendor *before* settling any questions of exchange or replacement. This put the university in a much better point for negotiation. Most companies have a 30 day return policy. Be cognizant of this time frame and inspect your equipment immediately upon receipt or installation. Remember, there may need to be a PO Change Order in the event the piece of equipment is exchanged for a different make or model. This is why it is also important to alert Purchasing.

STEP TWO

- The Inventory Custodian for the department is to provide the Purchasing Office with pertinent packing slips, invoices or delivery receipts for item that is to be returned. Purchasing is responsible for contacting the vendor and will negotiate the replacement, credit, or other solution depending upon the circumstance.

STEP THREE

- Once arrangements are finalized with the vendor and department, Shipping/Receiving will pick up the equipment from the department and ship it back to the vendor.

STEP FOUR

- The Business Office is responsible for retiring the equipment in PeopleSoft, thereby taking the item off the inventory listing.

STEP FIVE

- The Purchasing Office is responsible for issuing a Purchase Order Change Order, should one be required (depending upon outcome of Step Three), simultaneously updating/correcting the inventory record.

STEP SIX

- If a credit has been negotiated, it is the responsibility of the Purchasing Office to request the Credit Memo from the vendor. The Credit Memo will cancel any outstanding invoice on the returned equipment.

STEP SEVEN

- A new piece of equipment is received from the vendor.

STEP EIGHT

- A new invoice is received from the vendor for the replacement merchandise.

SECTION XIV

WHO CAN I CONTACT FOR HELP…*I don't get this!!*

- **Help is on the way:**
  - **Leon Smith, Central Services**
    706/667-4642
    lxsmith@aug.edu
    - *To transfers assets between departments*
    - *For help in locating a missing asset*
    - *To update a location (building/room #) or the Department Custodial ID*
    - *To request a replacement ASU Property Tag when an ASU Property Tag has fallen off*
  - **Elizabeth Kendrick, Central Services**
    706/667-4642
    ekendric@aug.edu
    - *Location and Custodial ID changes in PeopleSoft*
    - *Asset description changes*
    - *Serial ID changes*
    - *Departmental Transfer requests*
  - **Tamisha Thomas, Business Office**
    706/729-2466
    tthoma44@aug.edu
    - *General questions about Asset Management*
    - *For questions about accounting for Capital Assets/Operating and Capital Leases*
  - **Public Safety**
    706/737-1401
    - *To report a missing, lost or stolen asset*

For additional information visit the following web sites:
www.aug.edu/cso
http://doas.georgia.gov
http://sao.georgia.gov/00/channel_modifieddate/0,2096,39779022_66043628,00.html